

20 October 1970

TRACK I

[REDACTED]

1. Santiago Station reports that the PCCh fears the current economic crisis will prevent the UP from carrying out any major programs for two years.

2. Agency assets [REDACTED] placed articles [REDACTED] focusing on the growing panic over the deteriorating economy and the increasing emigration of Chileans to Argentina.

3. [REDACTED] telegrams to Mrs. Frei urging her to persuade her husband not to hand Chile over to the Marxists. [REDACTED]

4. [REDACTED] the UP will not invite Cuba, East Germany, North Korea and North Vietnam to Allende's inauguration. The President of Cuba will be invited as a personal friend of Allende.

B. Accomplishments:

Recently generated propaganda placements [REDACTED] have played up the deteriorating economic situation in Chile and have highlighted the exodus of Chileans to Argentina. Station reporting indicates that the PCCh is becoming increasingly concerned about the bankrupt state of the economy that the UP will inherit on 4 November.

C. Situation:

Apparently Allende and the PCCh are fast becoming educated to the enormity of the economic problems which Allende will inherit on 4 November. They are concerned that the UP will not be able to implement any major programs for at least the next two years. Accordingly, Allende is making noises about a national and international "orchestration" which is determined to deny him the presidency by any means, including the inducement of an economic crisis. This reaction by Allende and the PCCh indicates that our propaganda, especially the Time magazine article and other international press placements, are having an impact.